

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

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JAN 31 2005
DIV. OF OIL, GAS & MINING
TW
2/28/05

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8. Utah code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/04 To (mo./yr.) 12/04
2. DOGM File Number (Mine No): S 270026
3. Mine Name: Black Jewel, Black Jewel #1, Black Jewel #2 (Millard)
4. Mineral(s) Mined (or permitted to mine): Obsidian
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
1/4, 1/4, 1/4, Section 11, Township 24 S, Range 9 W
1/4, 1/4, 1/4, Section , Township , Range
1/4, 1/4, 1/4, Section , Township , Range
7. Name of Operator or Company: A & R Leasing LLC
8. Permanent Street Address: 688 E. Chad Ranch Road
City, State, Zip: Veyo, UT 84782-4141
Phone: 435-574-9300 Fax: 435-574-9333
9. Company Representative (or designated operator):
Name: Russell C. Feller
Title: Managing Member
Business Address: 688 E. Chad Ranch Road
City, State, Zip: Veyo, UT 84782-4141
Phone: 435-574-9300 Fax: 435-574-9333
☒ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☒ No ☐
2. If no - what was the last year of activity? _____
3. If yes - how much ore or mineral was mined? 15 Tons

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

No new disturbances. Previously extracted rock was screened.

5. How much **additional acreage** was disturbed during the past year? 0

6. How much acreage was **reclaimed** during the past year? 0

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

Continuing to smooth and shape areas where we are working.

8. What is the **total** disturbed acreage of entire project at years end? 1/2 Acre

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

No increased disturbance. Just working through areas that have already been disturbed and extracting previously broken rock.

NOTE: Section III. "Additional Information" applies only to large mining operations

III. Additional Information - R647-4-121.2 and .3

1. The operator shall include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
2. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

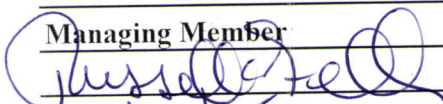
Name (Typed or Print):

Russell C. Feller

Title of Operator:

Managing Member

Signature of Operator:



Date:

11/27/05

A & R LEASING
688 East Chad Ranch Road
Veyo, Utah 84782-4141
435-574-9300 Phone
435-574-9333 Fax

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DIV. OF OIL, GAS & MINING

5/027/026 *

5/027/027

5/045/032

5/053/019

5/053/023

January 26, 2005

STATE OF UTAH
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Annual Report of Mining Operations

Dear Sirs:

Enclosed please find our annual report for the year 2004. You will note a change of ownership as to the following mines:

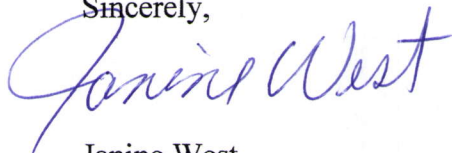
MINE NUMBER	MINE NAME
S270026	Black Jewell Project
S450032	Allen Claims Project
S270027	Black Hills

We are enclosing copies of the quitclaim deeds changing ownership to A & R Leasing. Please change your records to reflect this change.

As to "Brown Sandstone and Cobble/Sandstone", we have not operated these mines for many years if at all.

Thank you for your assistance in this matter.

Sincerely,



Janine West
Administration